



MEMORANDUM

DATE: October 27, 2004

TO: Land Reclamation Commission

FROM: Tom Cabanas, Reclamation Section Chief (*original signed by Tom Cabanas*)

SUBJECT: Yates Energy & Development Company, Request for Release of Reclamation Liability

On February 26, 1987, the Missouri Land Reclamation Commission revoked all permits issued to Yates Energy & Development Company. Subsequently, the program staff initiated reclamation at the site using the forfeited bond and funds from the Coal Mined Land Reclamation Fund.

This site is divided geographically into two areas. The area that is being considered for this release request is referred to as the East Pit and is located east of the present North American Resources, Inc., Silver Creek Mine, see the attached air photo.

The East Pit consists of 213 acres that were permitted by Yates Energy & Development Company. There are five water impoundments on the area, consisting of 6.5 acres. The balance of 206.5 acres has been reclaimed to pasture.

The Land Reclamation Program reclaimed these areas in 1995 and 1996 and maintenance to repair erosion problems was performed in 1998, 1999, 2001 and 2002. All areas have been graded to approximate original contour as per the approved reclamation plan and all available topsoil materials have been redistributed. The graded areas have been reseeded to cool season grasses and legumes. Drainage areas have been stabilized with rock waterways as appropriate and all persistent acid/toxic areas have been addressed with crushed limestone. Embankments and spillways at the water impoundments are in good repair and discharges that have occurred from storm events have been of acceptable water quality.

The total bonding collected for the East Pit was \$160,500. The total expenditures for this project is \$2,027,449.87 which is the total amount spent on the East Pit as well as the West Pit. Since the both pits were bid out as one project there is no break down by pit available. The amount of bond collected from the forfeiture of all permits for this company totaled \$342,500. The expended balance of \$1,684,949.87 came from the Coal Mined Land Reclamation Fund.

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All landowners have been contacted via certified mail regarding the staff's intent to release liability at this mined area. A public notice was run in a newspaper of general circulation in Randolph County, the Moberly Monitor-Index, for thirty days requesting comments from the public. No written comments were received.

It is the recommendation of the staff as all necessary reclamation has been accomplished that the Missouri Land Reclamation Commission release the liability on 213 acres of land permitted by Yates Energy & Development Company at the East Pit as detailed below.

PERMIT 1982-31

Increment 7 79 acres

PERMIT 1982-16

Increment 1 80 acres

Increment 2 10 acres

Increment 3 +44 acres

Totals 213 acres

Attachment